

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

**In re: PHARMACEUTICAL INDUSTRY
AVERAGE WHOLESALE PRICE
LITIGATION**

THIS DOCUMENT RELATES TO:

*United States of America ex rel. Ven-A-Care of
the Florida Keys, Inc., et al. v. Dey, Inc., et al.,*
Civil Action No. 05-11084-PBS

)
) **MDL No. 1456**
) **Master File No. 01-CV-12257-PBS**
) **Subcategory Case No. 06-11337**
) **Hon. Patti B. Saris**
) **Magistrate Judge**
) **Marianne B. Bowler**

**DECLARATION OF W. DAVID BRADFORD, PH.D. IN SUPPORT
OF
DEY, INC., DEY, L.P., AND DEY L.P., INC.'S
OPPOSITION TO UNITED STATE'S MOTION TO EXCLUDE**

W. David Bradford, declares, pursuant to 28 U.S.C. § 1746, that:

1. I am presently employed at the University of Georgia, where I am the Busbee Chair of Public Policy and Professor in the Department of Public Administration and Policy. I have over 17 years of research experience in the area of health economics in general, much of which has focused on insurance, and the role of incentives and regulations on economic efficiency in particular. I have been principal investigator on 15 funded grants and projects. Several of these projects have focused on the functioning of various components of Medicaid, and involved working directly with Medicaid agency personnel in another state. As of this writing, I have published 45 articles in peer-reviewed publications, have another 30 reports and other publications, and serve as an Editor of the journal *Health Economics Letters*, and am an Associate Editor of the journal *Health Economics*.
2. On March 6, 2009, I submitted an Expert Report in this matter. Since then, I have also submitted the following, in response to further submissions by Dr. Duggan: a rebuttal report, dated May 7, 2009 (attached as Exhibit A); a letter responding to Dr. Duggan's November 30, 2009 submission, dated January 15, 2010 (attached as Exhibit B); and a letter responding to Dr. Duggan's submission of confidence intervals, dated March 17, 2010 (attached as Exhibit C).
3. In connection with preparation of my reports, I have reviewed depositions, documents, and data produced in this litigation, as well as a variety of publicly available information. The materials I considered are listed in Appendix B to my Expert Report. I reserve the right to update my analysis if additional information becomes available. In addition, I reserve the right to supplement or modify my opinions, if warranted, and to prepare additional supporting materials, such as summaries, graphical exhibits, or charts.
4. In my Expert Report and other filings in this matter I have used the prices for Dey drugs as reflected in the wholesaler data from Cardinal and McKesson. I have examined the prices from both wholesalers and find that the prices for Dey drugs in two wholesaler datasets are substantially equivalent.

5. In my Expert Report, I presented calculations showing adjustments to Dr. Duggan's "difference" calculations.¹ One of the adjustments I presented was for the dispensing fee shortfall. In order to be consistent with the Massachusetts benchmark that I used for drug payments, I also used Massachusetts as a benchmark for the shortfall in dispensing fees relative to dispensing costs for all states. The results of my analysis change by less than 1% if I instead incorporate each individual state's dispensing fee shortfall. Even with this change, Dr. Duggan's "differences" after adjustment, shown in Figures 41 and 43 of my Expert Report, are still substantially negative.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 17, 2010.

A handwritten signature in black ink, appearing to read "David Bradford", is written over a horizontal line.

W. David Bradford

¹ These adjustments were presented in figures 41 and 43 of my Expert Report.